



SOLID WASTE COST OF SERVICE STUDY

APRIL 13, 2023

PREPARED BY



**SOLID WASTE CONSULTANTS
TO LOCAL GOVERNMENT**

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**Solid Waste Rate Study
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1. EXECUTIVE SUMMARY

The City generates revenue to pay for its solid waste collection service costs through rates charged to its residential customers. The City separately records its revenues and expenses for its solid waste operations in the solid waste enterprise fund. The solid waste enterprise fund maintains a cash balance to fund its ongoing operations. The revenues of the solid waste enterprise fund are intended to fully cover the City's current and future solid waste operating and capital costs, and maintain its cash balance. Although the City's operating costs have increased due to inflation, and other significant factors, the City has not increased the solid waste rates it charges to its customers since 2010.

Significant Factors Driving Cost Increases

China Ban on Recyclables

At the beginning of 2018, China reduced the level of acceptable contamination in the recyclable material it received, and limited the type of recyclable materials it would accept. As a result, the worldwide market value of recyclables decreased significantly, reducing the revenue that solid waste service providers (including the City) previously used to offset their operating costs. This market disruption continues to create upward pressure on the City's operating costs.

Commercial Franchising

The City recently implemented significant changes to the solid waste collection services it provides in the City. In December 2021, the City implemented a franchise system for businesses, and for large multi-family complexes with five (5) or more units. Under the franchise system, four (4) private haulers now provide exclusive collection service in four (4) separate geographic areas of the City. The City is now only responsible to collect waste and recyclables from single-family customers, and from small multi-family customers with two (2) to four (4) dwelling units.

In previous years, rates for residential collection services have not been set at a rate to fully recover costs associated with those services. Furthermore, the rates for residential and multi-family customers with 2-4 units have not changed since 2010. The reduction in the City's overall solid waste customer base brought about by franchising the business and large multi-family customer sectors has resulted in the City having fewer customers over which it is able to allocate its fixed costs. This has resulted in additional upward pressure on the cost per unit for the remaining residential customers.

SB 1383

In addition to the significant change brought about by the franchising of the commercial waste sector, the City is in the midst of complying with the most sweeping changes to State solid waste regulations in the last thirty years. SB 1383 establishes statewide methane reduction targets, and is bringing about several fundamental changes to municipal solid waste management.

Under SB 1383, all local jurisdictions must arrange for the collection of organics, ensure that edible food is recovered, conduct education and outreach, purchase a certain amount of organic content products, secure access to organic processing capacity, and conduct extensive monitoring, compliance and enforcement activities. As a result, solid waste rates throughout the State are increasing significantly.

Closure of Scholl Canyon Landfill

The Scholl Canyon Landfill is expected to permanently close around December 2025. After the landfill closes, the City's trucks will be required to travel farther to empty their loads, and may be required to use a disposal facility with a higher tipping fee. As a result, the City expects it will be required to purchase two additional route vehicles, and incur additional operating costs to use a more distant landfill. These expected additional operating costs will create additional upward pressure on the City's solid waste rates.

Industry Trends

Additionally, there are several current trends in the solid waste industry that are creating extraordinary cost increases. These trends include shortages of refuse truck drivers, supply chain delays in the purchase of trucks, and increased costs for raw materials such as steel used to manufacture trucks and containers.

Required Rate Adjustments

Operating Cash

As a result of the impact of these industry trends, the China Ban, the cost of complying with SB 1383, and the divestiture of its business and large multi-family operations, the revenue and cost structure of the City's solid waste enterprise fund has changed significantly. To meet the current and future financial obligations of the solid waste enterprise fund, the City must increase the rates it charges to its single family and small multi-family residential customers. If the City does not increase current collection rates, and rates remain at their current levels, the cash balance in the enterprise fund will be completely depleted in fiscal 2024.

Collection Rates

To fully fund the City's solid waste operations over the next five years, the City's collection rates must be increased *on average* by approximately 90% on July 1, 2023, followed by annual increases of 45% in July 2024, and 25% on July 2025. In July 2026 and 2027, collection rates will need to be increased by 10% each year.

In addition, the City's rates, which have not increased since 2010, do not accurately reflect the City's current cost of service. As a result, the initial rate adjustment on July 1, 2023, will restructure the rate schedule to ensure that the rates more accurately reflect the City's actual cost of service. As a result, not all customers will receive the same initial rate adjustment. For example, as shown in Table 1 on page 4, single-family residential customers with a 64-gallon container will initially receive a 146% increase. However, single-family customers with a 96-gallon container will initially receive a 76% increase. After the rates are restructured in July 2023, customer rates will be adjusted across the board by the same percent each year on July 1st. Table 1 on page 4 shows the current and proposed rates for customers with most common levels of service. The City is seeking approval of these rates for the next five years.

Although the City's rates need to be significantly increased, the same trends that are creating upward pressure on the City's rates are also impacting all other jurisdictions in California. Even after the City's rates are adjusted, they are expected to be reasonable in relation to rates for similar solid waste collection service in other jurisdictions. A comparison of the City's single-family rate to those in other jurisdictions is shown in Chart 1 on page 5.

Proposition 218

The City's collection rates are subject to Article XIII D, Section 6 of the California Constitution (Proposition 218). When setting property-related user fees (such as solid waste collection rates), local jurisdictions must satisfy the following requirements:

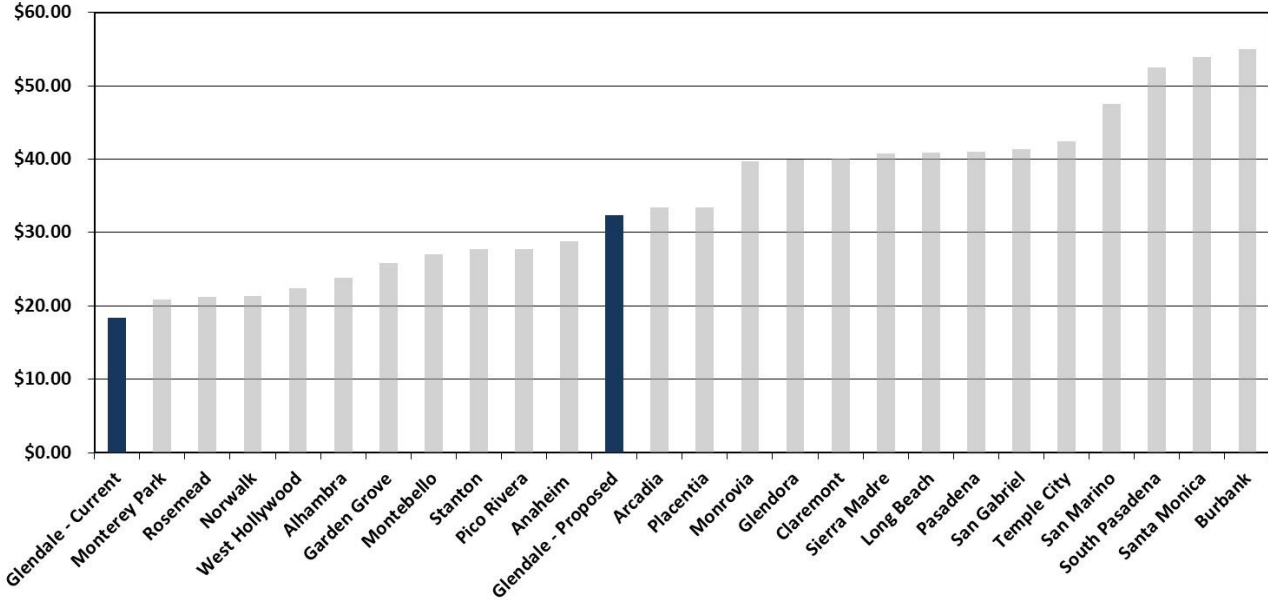
- Revenues derived from the fee or charge must not exceed the funds required to provide the property-related service;
- Revenues derived from the fee or charge must not be used for any purpose other than that for which the fee is imposed;
- The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership must not exceed the proportional cost of the service attributable to the parcel.

The City is required to set a public ‘majority protest’ hearing, and provide all record owners of each identified parcel no less than 45 days prior notice of the proposed rates. Unless a majority of customers object to the proposed rates, the City Council may adopt the proposed rates at the public hearing upon a majority vote.

Table 1 – Proposed Monthly Rates

Description	Current Rate		Proposed Rate Effective July 1, 2023	Proposed Rate Effective July 1, 2024	Proposed Rate Effective July 1, 2025	Proposed Rate Effective July 1, 2026	Proposed Rate Effective July 1, 2027
Automated Cart Service - Single Family							
Monthly Rate Standard 64 gallon cart	\$11.72	\$11.72	\$28.78	\$41.73	\$52.16	\$57.38	\$63.12
Adjustment Amount			\$17.06	\$12.95	\$10.43	\$5.22	\$5.74
Adjustment Percent			146%	45%	25%	10%	10%
Monthly Rate - Standard 96 gallon cart	\$18.34	\$18.34	\$32.34	\$46.90	\$58.63	\$64.49	\$70.94
Adjustment Amount			\$14.00	\$14.56	\$11.73	\$5.86	\$6.45
Adjustment Percent			76%	45%	25%	10%	10%
Automated Cart Service - Multi-family 2-4 units							
Monthly Rate - Standard 64 gallon cart	\$14.82	\$14.82	\$28.78	\$41.73	\$52.16	\$57.38	\$63.12
Adjustment Amount			\$13.96	\$12.95	\$10.43	\$5.22	\$5.74
Adjustment Percent			94%	45%	25%	10%	10%
Monthly Rate - Standard 96 gallon cart	\$18.34	\$18.34	\$32.34	\$46.90	\$58.63	\$64.49	\$70.94
Adjustment Amount			\$14.00	\$14.56	\$11.73	\$5.86	\$6.45
Adjustment Percent			76%	45%	25%	10%	10%
Monthly Rate - Additional 64 gallon cart	\$11.72	\$11.72	\$28.78	\$41.73	\$52.16	\$57.38	\$63.12
Adjustment Amount			\$17.06	\$12.95	\$10.43	\$5.22	\$5.74
Adjustment Percent			146%	45%	25%	10%	10%
Front Loading Bin Service - MFR 2-4 units							
Monthly Rate - One cubic yard bin 1/week	\$33.00	\$33.00	\$87.45	\$126.80	\$158.50	\$174.35	\$191.79
Adjustment Amount			\$54.45	\$39.35	\$31.70	\$15.85	\$17.44
Adjustment Percent			165%	45%	25%	10%	10%
Monthly Rate - Two cubic yard bin 1/week	\$45.35	\$45.35	\$109.95	\$159.42	\$199.28	\$219.21	\$241.13
Adjustment Amount			\$64.60	\$49.47	\$39.86	\$19.93	\$21.92
Adjustment Percent			142%	45%	25%	10%	10%
Monthly Rate - Three cubic yard bin 1/week	\$58.15	\$58.15	\$132.44	\$192.04	\$240.05	\$264.06	\$290.47
Adjustment Amount			\$74.29	\$59.60	\$48.01	\$24.01	\$26.41
Adjustment Percent			128%	45%	25%	10%	10%
Front Loading Bin Service - MFR 2-4 units - Additional Pickups							
Monthly Rate - One cubic yard bin 1/week	\$22.63	\$22.63	\$87.45	\$126.80	\$158.50	\$174.35	\$191.79
Adjustment Amount			\$64.82	\$39.35	\$31.70	\$15.85	\$17.44
Adjustment Percent			286%	45%	25%	10%	10%
Monthly Rate - Two cubic yard bin 1/week	\$22.63	\$22.63	\$109.95	\$159.42	\$199.28	\$219.21	\$241.13
Adjustment Amount			\$87.32	\$49.47	\$39.86	\$19.93	\$21.92
Adjustment Percent			386%	45%	25%	10%	10%
Monthly Rate - Three cubic yard bin 1/week	\$22.63	\$22.63	\$132.44	\$192.04	\$240.05	\$264.06	\$290.47
Adjustment Amount			\$109.81	\$59.60	\$48.01	\$24.01	\$26.41
Adjustment Percent			485%	45%	25%	10%	10%

Chart 1 – Rate Comparison – Monthly Rate for Single-family Collection Service



2. APPROACH AND LIMITATIONS

2.1 Study Approach

This cost of service study consists of a financial plan analysis, and a rate design analysis.

- **Financial Plan Analysis** – The ‘big picture.’ This analysis considers the total amount of current and projected operating and capital expenditures, available cash, any planned debt financing, and required debt service coverage requirements. The result of this analysis is the projected revenue requirement, which is matched with the projected rate revenues from the proposed rates. This ensures that the City will generate sufficient revenues to meet its financial obligations.
- **Rate Design Analysis** – This analysis identifies the cause-and-effect relationship between the activities undertaken and resources used to provide various levels of service. Rates are designed to reflect the cost of service and proportionality requirements of Proposition 218.

2.2 Limitations

The financial plan analysis is subject to certain limitations. The pro-forma projections in the financial plan are based on assumptions regarding future inflation, and planned capital expenditures, etc. There will usually be differences between projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. Moreover, these projections were prepared for the sole use of the City for the purpose of analyzing the City’s solid waste rates. They are not intended to be used for any other purpose.

3. FINANCIAL PLAN

3.1 Comparison of Projected Revenues with Revenue Requirement

The financial plan for the solid waste enterprise fund compares the projected rate revenues with the projected revenue requirement (the enterprise fund’s projected operating expenses net of any use of cash balance). The enterprise fund’s projected operating results were projected over a five-year period under two scenarios. Section 3.2 below shows the projected operating results assuming that rates are *not* adjusted and remain at current levels. Section 3.3 further below shows the projected operating results assuming that rates are adjusted to generate revenue that will meet the enterprise fund’s financial obligations over a five-year period.

3.2 Projected Operating Results if Rates are Not Adjusted

Table 2 below shows the operating results for the solid waste enterprise fund if rates are not adjusted. Table 2 shows that the enterprise fund is currently experiencing an annual shortfall, which is expected to grow significantly over the next five years, if rates are not adjusted.

Table 2 – Projected Operating Results – *Without* Rate Adjustments

Description	Actual FY 2020	Actual FY 2021	Pre-audited Actual FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028
Revenues:									
Rate Revenue	\$17,397	\$17,347	\$11,404	\$6,769	\$6,589	\$6,654	\$6,721	\$6,788	\$6,855
Other Revenue	<u>7,808</u>	<u>6,409</u>	<u>5,837</u>	<u>4,940</u>	<u>5,022</u>	<u>5,151</u>	<u>4,848</u>	<u>4,444</u>	<u>4,722</u>
Total	\$25,204	\$23,756	\$17,241	\$11,708	\$11,611	\$11,805	\$11,569	\$11,231	\$11,577
Expenditures:									
Labor	\$9,955	\$8,649	\$6,107	\$9,147	\$8,297	\$8,437	\$8,578	\$8,723	\$8,869
Vehicles	4,100	3,635	3,584	3,723	4,142	3,612	3,684	3,758	3,833
Disposal/Processing	4,729	6,577	5,138	7,168	7,168	8,724	9,231	9,416	9,604
Overhead	<u>5,547</u>	<u>6,820</u>	<u>5,268</u>	<u>3,364</u>	<u>4,442</u>	<u>4,561</u>	<u>4,640</u>	<u>4,673</u>	<u>5,004</u>
Total Operating Expenses	\$24,330	\$25,681	\$20,098	\$23,403	\$24,050	\$25,333	\$26,133	\$26,570	\$27,311
Operating Surplus/(Shortfall)	874	(1,925)	(2,857)	(11,694)	(12,439)	(13,528)	(14,564)	(15,339)	(15,734)
Capital Expenditures	(111)	0	4,735	1,220	4,315	3,165	466	4,387	3,320
Total Expenditures	\$24,219	\$25,681	\$24,832	\$24,623	\$28,365	\$28,498	\$26,600	\$30,957	\$30,631
Total Surplus/(Shortfall)	\$985	(\$1,925)	(\$7,591)	(\$12,914)	(\$16,754)	(\$16,693)	(\$15,031)	(\$19,725)	(\$19,054)

(in 000s)

Table 3 on the following page shows a breakdown by asset type of the projected capital expenditures included in the projected operating results.

Table 3 – Projected Capital Expenditures

Description	Pre-audited Actual FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028
Sweepers	\$834					\$911	
Route Vehicles	1,655	830	1,790	640	434	3,476	3,198
Medium Duty Vehicles	50	40			32		123
Containers	1,546	350	2,525	2,525	0	0	0
Land Improvements	<u>650</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Expenditures	\$4,735	\$1,220	\$4,315	\$3,165	\$466	\$4,387	\$3,320

(in 000s)

Table 4 below analyzes the annual change in cash resulting from the projected annual shortfalls in the enterprise fund. Table 4 shows how the beginning cash balance is reduced by the annual shortfall. Table 4 shows that without adjusting its current rates, the enterprise fund is expected to deplete its cash balance sometime in fiscal 2024.

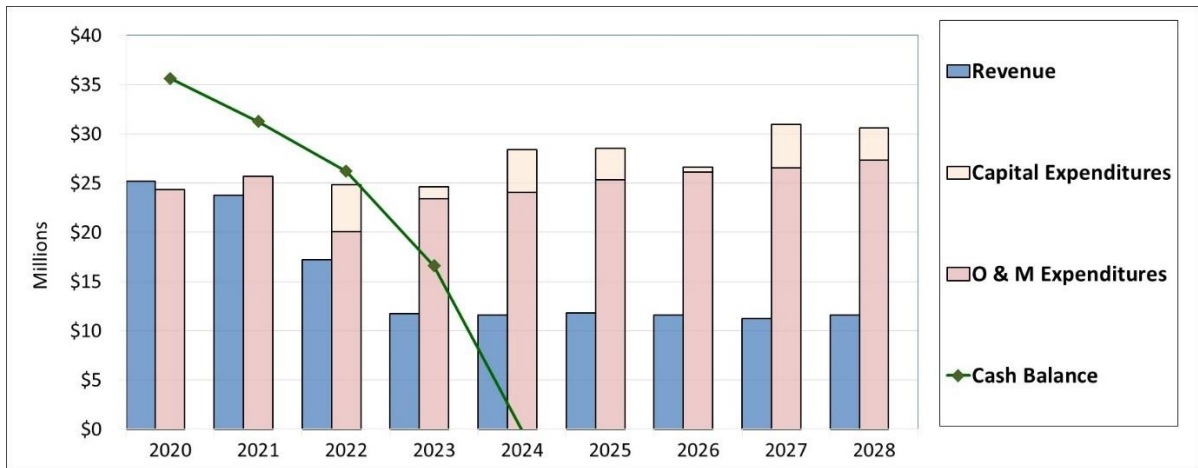
Table 4 – Analysis of Cash *Without* Rate Adjustments

Description	Actual FY 2020	Actual FY 2021	Pre-audited Actual FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028
Cash Reserve:									
Beginning Cash	\$38,763	\$35,621	\$31,258	\$26,199	\$16,577	(\$177)	(\$16,870)	(\$31,901)	(\$51,626)
Operating Surplus/(Shortfall)	874	(1,925)	(2,857)	(11,694)	(12,439)	(13,528)	(14,564)	(15,339)	(15,734)
Capital Expenditures	111	0	(4,735)	(1,220)	(4,315)	(3,165)	(466)	(4,387)	(3,320)
Other Changes to Cash	<u>(4,127)</u>	<u>(2,438)</u>	<u>2,533</u>	<u>3,293</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Cash	\$35,621	\$31,258	\$26,199	\$16,577	(\$177)	(\$16,870)	(\$31,901)	(\$51,626)	(\$70,680)

(in 000s)

Chart 2 on the following page shows how the annual operating results are projected to change the balance in the enterprise fund's operating cash over the next five years if rates are not adjusted.

Chart 2 – Projected Operating Results *Without* Rate Adjustments



The red and blue bars in Chart 2 represent the relationship between operating expenses and current revenues, respectively. These show how the annual shortfall reduces the operating cash (green line) over time. Chart 2 graphically shows how, if rates are not adjusted, the cash balance in the solid waste enterprise fund will be completely depleted sometime during fiscal 2024.

3.3 Projected Operating Results with Proposed Rate Adjustments

Table 5 on the following page shows the operating results for the solid waste enterprise fund if rates *are* adjusted. (Table 5 is comparable to Table 2, which shows the projected operating results without the rate adjustments). The detailed amounts for the revenue and expenditures shown in Table 5 are shown in Appendix A. Table 5 shows that, if rates are adjusted, the enterprise fund will continue to generate significant shortfalls in fiscal 2024 and fiscal 2025, however, these shortfalls will be progressively less severe as rates continue to be adjusted each year. The enterprise fund is projected to generate a modest surplus in fiscal 2026, followed by a modest shortfall in fiscal 2027. The shortfall in fiscal 2027 is mainly due to an increase in capital expenditures in that year. In fiscal 2028, the enterprise fund is projected to generate a surplus of approximately \$2.7 million.

Table 5 – Projected Operating Results – *With* Rate Adjustments

Description	Actual FY 2020	Actual FY 2021	Pre-audited Actual FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028
Revenues:									
Rate Revenue	\$17,397	\$17,347	\$11,404	\$6,769	\$12,519	\$18,333	\$23,145	\$25,713	\$28,567
Other Revenue	<u>7,808</u>	<u>6,409</u>	<u>5,837</u>	<u>4,940</u>	<u>5,022</u>	<u>5,151</u>	<u>4,848</u>	<u>4,444</u>	<u>4,722</u>
Total	\$25,204	\$23,756	\$17,241	\$11,708	\$17,541	\$23,484	\$27,994	\$30,157	\$33,289
Expenditures:									
Labor	\$9,955	\$8,649	\$6,107	\$9,147	\$8,297	\$8,437	\$8,578	\$8,723	\$8,869
Vehicles	4,100	3,635	3,584	3,723	4,142	3,612	3,684	3,758	3,833
Disposal/Processing	4,729	6,577	5,138	7,168	7,168	8,724	9,231	9,416	9,604
Overhead	<u>5,547</u>	<u>6,820</u>	<u>5,268</u>	<u>3,364</u>	<u>4,442</u>	<u>4,561</u>	<u>4,640</u>	<u>4,673</u>	<u>5,004</u>
Total Operating Expenses	\$24,330	\$25,681	\$20,098	\$23,403	\$24,050	\$25,333	\$26,133	\$26,570	\$27,311
Operating Surplus/(Shortfall)	874	(1,925)	(2,857)	(11,694)	(6,509)	(1,849)	1,860	3,587	5,978
Capital Expenditures	(111)	0	4,735	1,220	4,315	3,165	466	4,387	3,320
Total Expenditures	\$24,219	\$25,681	\$24,832	\$24,623	\$28,365	\$28,498	\$26,600	\$30,957	\$30,631
Total Surplus/(Shortfall)	\$985	(\$1,925)	(\$7,591)	(\$12,914)	(\$10,824)	(\$5,014)	\$1,394	(\$800)	\$2,658

(in 000s)

Table 6 below analyzes the annual change in operating cash resulting from the projected annual shortfalls and surpluses in the enterprise fund assuming that rates are adjusted. Table 6 is comparable to the analysis of cash balances in Table 4, which shows the impact on cash balances if rates were not adjusted. Table 6 shows that, if rates *are* adjusted, the cash balance in the enterprise fund is expected to decrease significantly in fiscal years 2023, 2024 and 2025, and range between approximately \$2 million to \$4 million over the following fiscal years.

Table 6 – Analysis of Cash *With* Proposed Rate Adjustment

Description	Actual FY 2020	Actual FY 2021	Pre-audited Actual FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028
Cash Reserve:									
Beginning Cash	\$38,763	\$35,621	\$31,258	\$26,199	\$16,577	\$5,753	\$738	\$2,132	\$1,332
Operating Surplus/(Shortfall)	874	(1,925)	(2,857)	(11,694)	(6,509)	(1,849)	1,860	3,587	5,978
Capital Expenditures	111	0	(4,735)	(1,220)	(4,315)	(3,165)	(466)	(4,387)	(3,320)
Other Changes to Cash	<u>(4,127)</u>	<u>(2,438)</u>	<u>2,533</u>	<u>3,293</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Cash	\$35,621	\$31,258	\$26,199	\$16,577	\$5,753	\$738	\$2,132	\$1,332	\$3,990

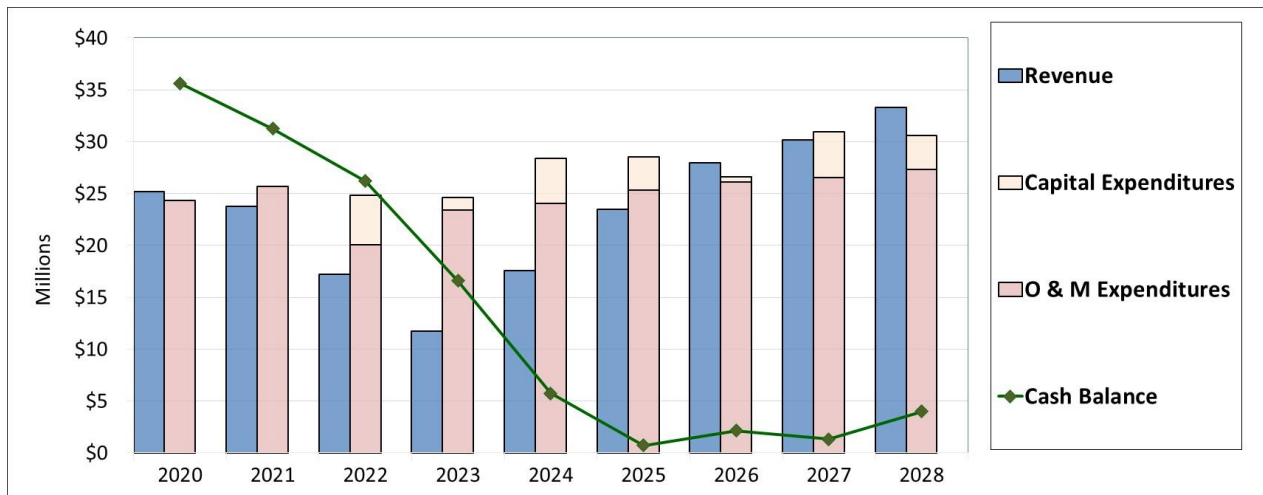
(in 000s)

3.4 Projected Long-term Operating Results with Proposed Rate Adjustments

Chart 3 on the following page shows how the annual operating results are projected to change the balance in the enterprise fund’s operating cash over the next five years if rates *are* adjusted.

(Chart 3 is comparable to Chart 2, which showed the projected operating results if rates are not adjusted). Chart 3 shows how, if rates are adjusted, the cash balance in the solid waste enterprise fund will decrease significantly but remain positive over the next five years. Chart 3 shows that, assuming rates are adjusted, the enterprise fund will be able to meet its current and future financial obligations.

Chart 3 – Projected Operating Results With Rate Adjustments



4. RATE DESIGN

In this analysis, cost-based collection rates were designed for each level of service to achieve the revenue requirement. Rates were designed by identifying the ‘cause-and-effect’ relationship between the activities or use of resources (cost drivers), and the resulting costs incurred. As a result, the individual customer rates reflect the cost of service and proportionality requirements of Proposition 218.

4.1 Revenue Requirement

The revenue requirement is the total rate revenue that the enterprise fund must generate to meet its annual financial obligations. These obligations include covering its operating and capital expenditures, and maintaining its cash balance. The revenue requirement is comprised of operating and maintenance costs, and rate-funded capital expenditures, net of any other or non-rate revenues. Non-rate revenues include items such as grants, interest income, and AB 939 Fees, etc. The revenue requirement is decreased in years when the City uses its cash balance to help fund its operations; the revenue requirement is increased in years when the City increases its cash balance. Table 7 below shows the enterprise fund’s projected revenue requirements over the next five years. The annual revenue requirements in Table 7 are derived using the total annual expenditures and other revenue in Table 5, and the annual change in cash in Table 6.

Table 7 – Projected Revenue Requirements

Description	Actual FY 2020	Actual FY 2021	Pre-audited Actual FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028
Revenue Requirement									
Total Expenditures	\$24,219	\$25,681	\$24,832	\$24,623	\$28,365	\$28,498	\$26,600	\$30,957	\$30,631
Total Surplus/(Shortfall)				(\$12,914)	(\$10,824)	(\$5,014)	\$1,394	(\$800)	\$2,658
Other Revenue				(5,022)	(5,022)	(5,151)	(4,848)	(4,444)	(4,722)
Total Rate Revenue Requirement				\$6,686	\$12,519	\$18,333	\$23,145	\$25,713	\$28,567

(in 000s)

4.2 Rate Design Method

Cost-based collection rates were designed by identifying the cost types associated with each of these cost ‘drivers’:

- Route Operating Cost** - the time it takes to travel from stop to stop in the service area. This cost was allocated among customers based on the number of pickups. For example, a multi-family customer with three bin pickups per week is allocated three times as much of this cost as a customer with one pickup per week.

- **Disposal/Processing Tip Fee Cost** – the cost of fees per ton incurred at disposal and processing sites. This cost was allocated among customers based on the amount of container capacity serviced per week. This is because the amount of container capacity serviced per week is a reasonable measure of the relative weight of waste collected and delivered to the landfill.
- **Overhead** – Indirect costs such as buildings, utilities, general and administrative costs were allocated proportionately based on the amount of direct cost allocated to each level of service.

4.3 Rate Design Calculations

Table 8 below, and Table 9, Table 10, Table 11 on the following pages show the 10 steps used to calculate the proposed cost-based rates according to the rate design method.

Table 8 – Allocated Rate Revenue Target

Row	Column	A	B
	Description	Projected FY 2024	Percent of Total Expenditures
Step 1 - Organize Total Cost into Cost Pools (Route Operating; Disposal/Processing; and Overhead)			
	Total Expenditures:		
1	Labor	\$8,297,388	
2	Vehicles	8,456,843	
3	Subtotal - Route Operating Cost	16,754,230	59.07%
4	Disposal/Processing	7,168,400	25.27%
5	Overhead	<u>4,442,467</u>	15.66%
6	Total Expenditures	\$28,365,098	100.00%
Step 2 - Determine Total Annual Revenue Requirement			
7	Total Expenditures	\$28,365,098	
8	Deduct Other Income	(5,022,113)	
9	Total Surplus/(Shortfall)	<u>(10,824,359)</u>	
10	Total Annual Rate Revenue Requirement	\$12,518,625	
Step 3 - Allocate Total Revenue Target to Cost Pools based on Percent of Total Expenditures			
	Allocated Revenue Requirement:		
11	Route Operating Cost	\$7,394,296	59.07%
12	Disposal/Processing	3,163,695	25.27%
13	Indirect	<u>1,960,634</u>	15.66%
14	Total Allocated Rate Revenue Requirement	\$12,518,625	100.00%

Table 8 shows how the rate revenue requirement for the initial rates is calculated. The revenue requirement is the total amount of rate revenue needed for the enterprise fund to meet its financial obligations. For fiscal 2024, the revenue requirement is the \$12,518,625 shown on Row 10 in Table 8.

Step 1 in Table 8 organizes the enterprise fund's total expenditures for the base year (fiscal 2024) into three pools of cost: 1) Route Operating Cost, 2) Disposal/Processing Cost, and 3) Indirect Costs.

Step 2 in Table 8 shows the total amount of annual rate revenue that the initial rates are designed to generate. The total rate revenue requirement is equal to: 1) the enterprise fund's total expenditures; less, 2) other income (non-rate revenues such as AB 939 Fees); less, 3) the projected shortfall (which is the amount of cash reserves used to fund the revenue requirement). These amounts are shown on lines 7, 8, and 9 in Table 8. The total annual rate revenue requirement of \$12,518,625 is shown on Row 10 and on Row 14 in Table 8.

Step 3 in Table 8 shows how the annual rate revenue target is allocated among the three cost pools based on their proportionate share of total expenditures. Table 8 also shows that Indirect Costs are 15.66% of total cost. This percentage will be used further below to assign indirect costs to the rates in Step 9 in Table 11.

Table 9 on the following page shows the operating cost statistics used to calculate the rates. **Step 4** in Table 9 shows the calculation of the total number of gallons (on which Disposal/Processing Cost is assigned to the rates), and the total number of stops (on which Route Operating Cost is assigned to the rates). An equivalent stop factor was used to increase the weight of the stops for front loading bin service to reflect the fact that front loader routes take more time per stop than automated side loader routes.

Step 5 in Table 9 shows the calculation of the average Disposal/Processing Cost per Gallon, and the average Route Operating Cost per stop. The average Disposal/Processing Cost per Gallon is derived by dividing the Annual Disposal/Processing Cost Revenue Target (from line 12 of Table 8) by the total number of gallons per year. The average Route Operating Cost per stop is derived by dividing the Annual Route Operating Cost (from line 11 of Table 8) by the total number of stops per year.

Table 9 –Operating Cost Statistics

Row	Column	A	B	C	D	E	F	G
	Description	Gallons per Unit	Number of Units	Gallons per Month	Gallons per Year	Number of Stops per Month	Stop Adjustment Factor	Stops per Year
Step 4 - Calculate Total Number of Annual Gallons and Stops								
Automated Cart Service - Single Family								
1	Standard 64 gallon cart	64	5,333	1,479,019	17,748,224	23,110	1	277,316
2	Standard 96 gallon cart	96	18,691	7,775,456	93,305,472	80,994	1	971,932
Automated Cart Service - Multi-family 2-4 units								
3	Standard 64 gallon cart	64	8,594	2,383,403	28,600,832	37,241	1	446,888
4	Standard 96 gallon cart	96	266	110,656	1,327,872	1,153	1	13,832
5	Additional 64 gallon cart	64	194	53,803	645,632	841	1	10,088
Front Loading Bin Service - MFR 2-4 units								
6	One cubic yard bin 1/week	202	56	49,019	588,224	243	3	8,736
7	Two cubic yard bin 1/week	404	123	215,332	2,583,984	533	3	19,188
8	Three cubic yard bin 1/week	606	24	63,024	756,288	104	3	3,744
Front Loading Bin Service - Additional Pickups								
9	One cubic yard bin 1/week	202	6	5,252	63,024	26	3	936
10	Two cubic yard bin 1/week	404	6	10,504	126,048	26	3	936
11	Three cubic yard bin 1/week	606	7	18,382	220,584	30	3	1,092
12	Total		33,300	12,163,849	145,966,184	144,300		1,754,688

Step 5 - Use Allocated Revenue Requirement to Calculate Average Disposal Cost per Gallon; Average Route Operating Cost per Stop

Average Disposal Cost per Gallon

13	Annual Disposal/Processing Revenue Requirement (from Row 12 in Step 3)	\$3,163,695
14	Gallons per Year	145,966,184
15	Disposal/Processing Revenue Requirement per Gallon	\$0.0217

Average Route Operating Cost per Stop

16	Annual Route Operating Revenue Requirement (from Row 11 in Step 3)	\$7,394,296
17	Stops per Year	1,754,688
18	Annual Route Operating Revenue Requirement per Stop	\$4.21

Table 10 on the following page shows the calculation of the Disposal/Processing Cost, and the Route Operating Cost, for each level of service. **Step 6** in Table 10 calculates the monthly Disposal/Processing Cost per unit for each level of service by multiplying the average Disposal/Processing Cost per gallon by the gallons per month.

Step 7 in Table 10 calculates the monthly Route Operating Cost per unit for each level of service by multiplying the average Route Operating Cost per Stop by the stops per month. **Step 8** in Table 10 calculates the direct cost per unit by combining the Disposal/Processing Cost per unit and the Route Operating Cost per unit.

Table 10 – Direct Cost for Each Level of Service

Row	Column	A	B	C	D	E	F	G	H	I
	Description	Gallons per Unit	Gallons per Month per Unit	Cost per Gallon	Disposal Processing Cost per Month	Equivalent Stops per Unit	Stops per Unit per Month	Cost per Stop	Route Operating Cost per Month	Total Direct Costs
		Step 6 - Calculate Disposal/Processing cost per month for each level of service				Step 7 - Calculate Route Operating Cost per Month for each level of service				Step 8 - Sum of Disposal and Route Operating Cost per month
	Automated Cart - Single Family									
1	Standard 64 gallon cart	64	277	\$0.0217	\$6.01	1	4.33	\$4.21	\$18.26	\$24.27
2	Standard 96 gallon cart	96	416	0.0217	9.02	1	4.33	4.21	18.26	27.28
	Automated Cart - Multi-family 2-4 units									
3	Standard 64 gallon cart	64	277	0.0217	6.01	1	4.33	4.21	18.26	24.27
4	Standard 96 gallon cart	96	416	0.0217	9.02	1	4.33	4.21	18.26	27.28
5	Additional 64 gallon cart	64	277	0.0217	6.01	1	4.33	4.21	18.26	24.27
	Front Loading Bin - MFR 2-4 units									
6	One cubic yard bin 1/week	202	875	0.0217	18.97	3	13.00	4.21	54.78	73.75
7	Two cubic yard bin 1/week	404	1,751	0.0217	37.94	3	13.00	4.21	54.78	92.73
8	Three cubic yard bin 1/week	606	2,626	0.0217	56.92	3	13.00	4.21	54.78	111.70
	Front Loading Bin - Additional Pickups									
9	One cubic yard bin 1/week	202	875	0.0217	18.97	3	13.00	4.21	54.78	73.75
10	Two cubic yard bin 1/week	404	1,751	0.0217	37.94	3	13.00	4.21	54.78	92.73
11	Three cubic yard bin 1/week	606	2,626	\$0.0217	\$56.92	3	13.00	\$4.21	\$54.78	\$111.70

Table 11 on the following page calculates the indirect cost per unit, and summarizes the cost per unit of all three types of cost to arrive at the cost-based rate for each level of service. **Step 9** calculates the indirect cost per unit based on indirect cost as a proportionate share of total cost from Row 13 of Table 8. Step 10, the final step, combines the cost per unit of the Disposal/Processing Cost, Route Operating Cost, and the Indirect Cost to arrive at the cost per unit for each level of service. These cost per unit amounts are found in the proposed monthly rates in Table 1, and are used to recalculate the annual rate revenue in Table 12 and Table 13.

Table 11 – Indirect Cost and Sum of Total Cost for Each Level of Service

A	B	C	D	E	F	G
Total Direct Costs	Indirect cost as percent of total cost	Indirect Cost per month	Disposal Processing Cost per Month	Route Operating Cost per Month	Indirect Cost per month	Total Cost of Service per month
Step 9 - Calculate Indirect cost per month for each level of service			Step 10 - Summarize Disposal/Processing, Route Operating and Indirect Cost per month			
24.27	15.66%	\$4.51	\$6.01	\$18.26	\$4.51	\$28.78
27.28	15.66%	5.07	9.02	18.26	5.07	32.34
24.27	15.66%	4.51	6.01	18.26	4.51	28.78
27.28	15.66%	5.07	9.02	18.26	5.07	32.34
24.27	15.66%	4.51	6.01	18.26	4.51	28.78
73.75	15.66%	13.70	18.97	54.78	13.70	87.45
92.73	15.66%	17.22	37.94	54.78	17.22	109.95
111.70	15.66%	20.74	56.92	54.78	20.74	132.44
73.75	15.66%	13.70	18.97	54.78	13.70	87.45
92.73	15.66%	17.22	37.94	54.78	17.22	109.95
111.70	15.66%	\$20.74	\$56.92	\$54.78	\$20.74	\$132.44

4.4 Projected Rate Revenue based on Proposed Rate Adjustments

Table 12 on the following page, Table 13 on page 19, and Table 14 on page 20 show how the proposed rates, when extended by the number of customers at each level of service, meet the City’s annual projected revenue requirements in Table 7. Table 12 shows the recalculation of the revenue requirement for automated cart rates, Table 13 shows the recalculation of the revenue requirement for frontload bin rates, and Table 14 summarizes the total revenue requirement from each of these tables.

Table 12, Table 13, and Table 14 show that the rates implemented on July 1, 2023 will generate approximately \$12,518,625 in annual revenue. This amount corresponds with the 2024 revenue requirement in Table 7. Table 14 shows the average increase in revenue in each year. In fiscal 2024, the proposed rates are projected to increase annual revenue an average of 90%. In each of the fiscal years after fiscal 2024, the average annual growth in revenue includes an additional 1% to reflect the volume growth in the number of customers.

Table 12 – Summary of Automated Cart Rate Revenue

Description	Current Rates		Proposed Rates Effective July 1, 2023	Proposed Rates Effective July 1, 2023	Proposed Rates Effective July 1, 2024	Proposed Rates Effective July 1, 2025	Proposed Rates Effective July 1, 2026
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Customer Count							
Automated Cart Service - Single Family							
Standard 64 gallon cart	5,333	5,333	5,333	5,386	5,440	5,494	5,549
Standard 96 gallon cart	18,691	18,691	18,691	18,878	19,067	19,258	19,451
Automated Cart Service - Multi-family 2-4 unts							
Standard 64 gallon cart	8,594	8,594	8,594	8,680	8,767	8,855	8,944
Standard 96 gallon cart	266	266	266	268	270	272	274
Additional 64 gallon cart	194	194	194	196	198	200	202
Monthly Rates							
Automated Cart Service - Single Family							
Standard 64 gallon cart	\$11.72	\$11.72	\$28.78	\$41.73	\$52.16	\$57.38	\$63.12
Standard 96 gallon cart	18.34	18.34	32.34	46.90	58.63	64.49	70.94
Automated Cart Service - Multi-family 2-4 unts							
Standard 64 gallon cart	14.82	14.82	28.78	41.73	52.16	57.38	63.12
Standard 96 gallon cart	18.34	18.34	32.34	46.90	58.63	64.49	70.94
Additional 64 gallon cart	\$11.72	\$11.72	\$28.78	\$41.73	\$52.16	\$57.38	\$63.12
Annual Rate Revenue							
Automated Cart Service - Single Family							
Standard 64 gallon cart	\$750,033	\$750,033	\$1,841,743	\$2,697,093	\$3,405,005	\$3,782,949	\$4,203,035
Standard 96 gallon cart	4,113,515	4,113,515	7,254,195	10,624,538	13,414,779	14,903,381	16,558,247
Automated Cart Service - Multi-family 2-4 unts							
Standard 64 gallon cart	1,528,357	1,528,357	2,967,924	4,346,597	5,487,441	6,097,199	6,774,543
Standard 96 gallon cart	58,541	58,541	103,238	150,830	189,961	210,495	233,251
Additional 64 gallon cart	<u>27,284</u>	<u>27,284</u>	<u>66,998</u>	<u>98,149</u>	<u>123,932</u>	<u>137,712</u>	<u>153,003</u>
Total Annual Automated Cart Rate Revenue	\$6,477,731	\$6,477,731	\$12,234,098	\$17,917,208	\$22,621,117	\$25,131,736	\$27,922,079

Table 13 – Summary of Frontload Bin Rate Revenue

Description	Current Rates		Proposed Rates Effective July 1, 2023	Proposed Rates Effective July 1, 2023	Proposed Rates Effective July 1, 2024	Proposed Rates Effective July 1, 2025	Proposed Rates Effective July 1, 2026
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Customer Count							
Front Loading Bin Service - MFR 2-4 units							
One cubic yard bin 1/week	56	56	56	57	58	59	60
Two cubic yard bin 1/week	123	123	123	124	125	126	127
Three cubic yard bin 1/week	24	24	24	24	24	24	24
Front Loading Bin Service - Additional Pickups							
One cubic yard bin 1/week	6	6	6	6	6	6	6
Two cubic yard bin 1/week	6	6	6	6	6	6	6
Three cubic yard bin 1/week	7	7	7	7	7	7	7
Total Customers	222	222	222	224	226	228	230
Monthly Rates							
Front Loading Bin Service - MFR 2-4 units							
One cubic yard bin 1/week	\$33.00	\$33.00	\$87.45	\$126.80	\$158.50	\$174.35	\$191.79
Two cubic yard bin 1/week	45.35	45.35	109.95	159.42	199.28	219.21	241.13
Three cubic yard bin 1/week	58.15	58.15	132.44	192.04	240.05	264.06	290.47
Front Loading Bin Service - Additional Pickups							
One cubic yard bin 1/week	22.63	22.63	87.45	126.80	158.50	174.35	191.79
Two cubic yard bin 1/week	22.63	22.63	109.95	159.42	199.28	219.21	241.13
Three cubic yard bin 1/week	\$22.63	\$22.63	\$132.44	\$192.04	\$240.05	\$264.06	\$290.47
Annual Rate Revenue							
Front Loading Bin Service - MFR 2-4 units							
One cubic yard bin 1/week	22,176	22,176	58,767	86,731	110,316	123,440	138,089
Two cubic yard bin 1/week	66,937	66,937	162,280	237,217	298,920	331,446	367,482
Three cubic yard bin 1/week	16,747	16,747	38,143	55,308	69,134	76,049	83,655
Front Loading Bin Service - Additional Pickups							
One cubic yard bin 1/week	1,629	1,629	6,296	9,130	11,412	12,553	13,809
Two cubic yard bin 1/week	1,629	1,629	7,916	11,478	14,348	15,783	17,361
Three cubic yard bin 1/week	<u>\$1,901</u>	<u>\$1,901</u>	<u>\$11,125</u>	<u>\$16,131</u>	<u>\$20,164</u>	<u>\$22,181</u>	<u>\$24,399</u>
Total Annual Frontload Bin Rate Revenue	\$111,019	\$111,019	\$284,528	\$415,995	\$524,295	\$581,452	\$644,796

Table 14 – Summary of Rate Revenue and Reconciliation to Revenue Requirement

Description	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028
Annual Automated Cart Rate Revenue	\$6,477,731	\$6,477,731	\$12,234,098	\$17,917,208	\$22,621,117	\$25,131,736	\$27,922,079
Annual Frontload Bin Rate Revenue	<u>111,019</u>	<u>111,019</u>	<u>284,528</u>	<u>415,995</u>	<u>524,295</u>	<u>581,452</u>	<u>644,796</u>
Total Annual Rate Revenue	\$6,588,750	\$6,588,750	\$12,518,625	\$18,333,203	\$23,145,412	\$25,713,188	\$28,566,875
Average Percent Increase in Rate Revenue (includes 1% for customer growth after FY 2023)			90%	46%	26%	11%	11%
Reconcile to Revenue Requirement:							
Annual Rate Revenue Target			\$12,518,625	\$18,333,203	\$23,145,412	\$25,713,188	\$28,566,875

5. PERCENT OF CUSTOMERS AFFECTED

Table 15 below shows the current rate, and the rate proposed to become effective July 1, 2023 along with the amount of the increase and percent change. The right-hand column shows the portion of total customers that will be affected by each percent change of rate adjustment.

Table 15 – Percent of Customers Affected

Description	Current Rate	Proposed Rate Effective July 1, 2023	Adjustment Amount per Month	Percent Adjustment	Number of Customers Affected	Percent of Total Customers Affected
Automated Cart Service - Single Family						
Standard 64 gallon cart	\$11.72	\$28.78	\$17.06	146%	5,333	16.0%
Standard 96 gallon cart	\$18.34	\$32.34	\$14.00	76%	18,691	56.1%
Automated Cart Service - Multi-family 2-4 units						
Standard 64 gallon cart	\$14.82	\$28.78	\$13.96	94%	8,594	25.8%
Standard 96 gallon cart	\$18.34	\$32.34	\$14.00	76%	266	0.8%
Additional 64 gallon cart	\$11.72	\$28.78	\$17.06	146%	194	0.6%
Front Loading Bin Service - MFR 2-4 units						
One cubic yard bin 1/week	\$33.00	\$87.45	\$54.45	165%	56	0.2%
Two cubic yard bin 1/week	\$45.35	\$109.95	\$64.60	142%	123	0.4%
Three cubic yard bin 1/week	\$58.15	\$132.44	\$74.29	128%	24	0.1%
Front Loading Bin Service - Additional Pickups						
One cubic yard bin 1/week	\$22.63	\$87.45	\$64.82	286%	6	0.0%
Two cubic yard bin 1/week	\$22.63	\$109.95	\$87.32	386%	6	0.0%
Three cubic yard bin 1/week	\$22.63	\$132.44	\$109.81	485%	7	0.0%
Total					33,300	100.0%

Appendix A – Revenue and Expenditure Detail

Description	Actual	Actual	Pre-audited	Projected	Projected	Projected	Projected	Projected	Projected
	FY 19-20	FY 20-21	Actual FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Rate Revenue									
Residential refuse fees	\$12,986,604	\$12,989,259	\$9,437,437	\$6,588,750	\$12,518,625	\$18,333,141	\$23,145,334	\$25,713,102	\$28,566,781
Commercial bin srv multi units	3,472,044	3,500,923	1,577,316	180,000	-	-	-	-	-
Commercial bin srv business	902,808	831,148	358,048	-	-	-	-	-	-
Refuse bin drop off fees	35,430	25,273	31,278	-	-	-	-	-	-
Subtotal - Rate Revenue	17,396,886	17,346,603	11,404,079	6,768,750	12,518,625	18,333,141	23,145,334	25,713,102	28,566,781
Other Revenue									
Disaster relief reimb federal	-	-	-	-	-	-	-	-	-
Recyclables state grant	108,024	(50,104)	5,053	-	50,000	50,000	50,000	50,000	50,000
State grants	88,214	100,623	389,357	-	-	-	-	-	-
Collectible jobs overhead	-	-	-	-	-	-	-	-	-
Merchant fee charges	(5,805)	(10,904)	(8,396)	(5,000)	-	-	-	-	-
Commercial refuse fees	2,787,201	2,772,163	1,215,336	-	-	-	-	-	-
Bin Rental Fee	(324)	-	-	-	-	-	-	-	-
Sale of recyclables	367,379	370,024	72,461	-	-	-	-	-	-
AB 939 fees	2,836,900	2,317,607	3,080,449	3,402,831	3,800,000	3,952,000	4,110,080	4,274,483	4,445,463
Private hauler permit fees	33,144	37,152	41,304	10,000	44,000	44,880	45,778	46,693	47,627
Vehicle charges	-	-	-	-	-	-	-	-	-
Equipment usage charges	-	-	-	-	-	-	-	-	-
Rebate revenue	-	-	-	-	-	-	-	-	-
Unclaimed money and property	11	338,456	603,549	-	-	-	-	-	-
Miscellaneous revenue	51,264	578,707	6,000	362,800	3,000	3,060	3,121	3,184	3,247
Misc. revenue - Host Fees	-	-	-	800,000	880,000	1,056,000	538,560	-	-
Citywide collection revenue	-	-	-	-	-	-	-	-	-
Interest income	762,098	454,002	369,662	369,000	230,113	29,535	85,293	53,298	159,606
Interest GASB31	686,921	(514,303)	(1,595,208)	-	-	-	-	-	-
Sales of property	92,550	16,000	1,657,135	-	15,000	15,300	15,606	15,918	16,236
Subtotal - Other Revenue	\$7,807,577	\$6,409,423	\$5,836,702	\$4,939,631	\$5,022,113	\$5,150,775	\$4,848,438	\$4,443,576	\$4,722,179
Total Revenue	\$25,204,463	\$23,756,026	\$17,240,781	\$11,708,381	\$17,540,738	\$23,483,916	\$27,993,772	\$30,156,678	\$33,288,960
Expenses									
Labor									
Salaries	4,012,860	3,993,128	3,684,504	4,723,117	4,459,188	4,526,076	4,593,967	4,662,876	4,732,820
Unfilled positions									
Additional pay persable	16,357	19,621	11,142	7,362	8,423	8,549	8,678	8,808	8,940
Additional pay non-pers	88,341	85,741	78,119	78,011	70,509	71,567	72,640	73,730	74,836
Overtime	1,119,485	1,063,669	1,067,264	586,470	100,000	100,000	100,000	100,000	100,000
Hourly wages	119,480	98,538	132,152	219,062	172,123	174,705	177,325	179,985	182,685
Vacation and compensatory time	105,052	46,247	42,105	89,005	139,580	141,674	143,799	145,956	148,145
Sick leave	50,425	30,751	20,512	33,722	31,814	32,291	32,776	33,267	33,766
OPEB Funding Exp	29,267	16,456	21,166	26,482	27,407	27,818	28,235	28,659	29,089
Other benefits	38,289	40,547	36,990	14,375	13,410	13,611	13,815	14,022	14,232
Life insurance	6,400	7,575	6,313	8,090	6,633	6,766	6,901	7,039	7,180
Disability insurance	17,025	16,970	14,992	19,516	18,801	19,177	19,560	19,952	20,351
Vision insurance	14,376	14,135	11,710	13,111	11,698	11,932	12,170	12,414	12,662
Medical insurance	594,000	627,269	639,145	955,912	952,657	971,710	991,145	1,010,967	1,031,187
Dental insurance	31,465	30,682	26,388	29,368	26,605	27,137	27,679	28,233	28,798
Unemployment insurance	1,605	2,620	9,891	11,242	2,268	2,314	2,360	2,407	2,455
Workers compensation insurance	747,543	616,594	410,349	417,249	510,611	520,823	531,240	541,865	552,702
Medicare	71,946	70,123	67,392	76,422	71,263	72,689	74,142	75,625	77,138
Social security and PARS	3	18	-	-	-	-	-	-	-
PERS retirement	1,442,152	1,553,697	1,585,685	1,979,881	1,775,030	1,810,531	1,846,742	1,883,676	1,921,350
PERS cost sharing	(172,693)	(171,430)	(140,571)	(148,533)	(106,447)	(108,576)	(110,747)	(112,962)	(115,221)
PERS funding reversal	(1,251,351)	(1,372,518)	(1,731,653)	-	-	-	-	-	-
PERS GASB 68 expense	2,628,901	1,614,173	(198,168)	-	-	-	-	-	-
PERS vacant positions	238,572	239,369	305,846	-	6,406	6,535	6,665	6,799	6,934
Auto allowance	5,113	5,418	5,957	6,791	(592)	(604)	(616)	(628)	(640)
Subtotal - Labor	\$ 9,954,613	\$ 8,649,393	\$ 6,107,230	\$ 9,146,655	\$ 8,297,387	\$ 8,436,725	\$ 8,578,476	\$ 8,722,690	\$ 8,869,409

Appendix A – Revenue and Expenditure Detail

Description	Actual	Actual	Pre-audited	Projected	Projected	Projected	Projected	Projected	Projected
	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Vehicles									
Repairs to equipment	58,339	113,157	440	77,500	77,500	79,050	80,631	82,244	83,888
Vehicle maintenance	-	-	-	-	-	-	-	-	-
Fuel natural gas	-	-	-	-	-	-	-	-	-
Fuel gasoline	-	-	-	-	-	-	-	-	-
Fuel diesel	-	-	-	-	-	-	-	-	-
Fleet equipment rental	3,814,650	3,337,149	3,337,149	3,337,148	3,604,050	3,063,443	3,124,711	3,187,206	3,250,950
Liability Insurance	226,749	184,767	246,751	308,821	460,293	469,498	478,888	488,466	498,235
Subtotal - Vehicles	\$ 4,099,738	\$ 3,635,073	\$ 3,584,340	\$ 3,723,469	\$ 4,141,843	\$ 3,611,991	\$ 3,684,230	\$ 3,757,916	\$ 3,833,073
Disposal/Processing									
Disposal/Processing	4,729,014	6,576,683	5,137,696	7,168,400	7,168,400	8,723,761	9,231,239	9,415,863	9,604,180
Landfill Sinking fund	-	-	-	-	-	-	-	-	-
Subtotal - Disposal/Processing	\$ 4,729,014	\$ 6,576,683	\$ 5,137,696	\$ 7,168,400	\$ 7,168,400	\$ 8,723,761	\$ 9,231,239	\$ 9,415,863	\$ 9,604,180
Overhead									
Repairs to buildings and grounds	-	-	15,443	-	-	-	-	-	-
Contract Services:									
Billing Services	16,821	50,848	12,443	20,000	-	15,000	15,000	15,000	15,000
Landfill Maintenance	158,306	172,842	169,710	375,000	375,000	400,000	400,000	400,000	400,000
Outreach	144,233	556,062	135,797	394,491	602,000	614,000	626,000	639,000	652,000
Recycling Center Operations	55,804	33,829	17,358	185,000	385,000	185,000	205,000	215,000	230,000
Regulatory Compliance	113,690	246,481	203,620	556,548	556,548	572,500	572,500	597,500	612,500
Right-of-Way Cleaning	221,829	302,193	113,291	360,000	110,000	400,000	405,000	420,000	425,000
Temporary Labor	1,083,703	1,644,013	1,351,635	360,000	360,000	400,000	400,000	400,000	400,000
Waste Reduction Programs	80,174	137,416	230,997	405,000	405,000	325,000	350,000	375,000	545,000
Other Contract Services	151,913	48,144	32,082	38,350	73,350	75,000	77,000	79,000	81,000
Subtotal - Contract Services	2,026,473	3,191,828	2,266,933	2,694,389	2,866,898	2,986,500	3,050,500	3,140,500	3,360,500
Advertising	-	-	25,000	-	-	-	-	-	-
Janitorial Services	981	2,689	1,979	-	-	-	-	-	-
Postage	946	1,143	6,310	4,700	4,700	4,794	4,890	4,988	5,087
Travel	916	-	-	2,000	2,000	2,040	2,081	2,122	2,165
Laundry and towel service	1,493	12,240	14,308	18,500	18,500	18,870	19,247	19,632	20,025
Training	8,547	7,229	10,056	76,500	76,500	78,030	79,591	81,182	82,806
Computer software	685	4,735	3,319	-	-	-	-	-	-
Regulatory	33,356	28,061	35,421	132,200	157,200	160,344	163,551	166,822	170,158
Membership and dues	5,873	937	1,623	6,000	6,000	6,120	6,242	6,367	6,495
Periodicals and newspapers	-	445	450	-	-	-	-	-	-
Books	-	-	-	-	-	-	-	-	-
Furniture and equipment	2,101	858	12,418	10,000	10,000	10,200	10,404	10,612	10,824
Computer hardware	36,316	-	-	-	-	-	-	-	-
Office supplies	7,442	5,282	8,111	10,000	10,000	10,200	10,404	10,612	10,824
Small tools	-	869	-	1,000	1,000	1,020	1,040	1,061	1,082
General supplies	292,042	372,216	89,901	330,000	330,000	336,600	343,332	350,199	357,203
Printing and graphics	-	1,139	2,593	6,000	6,000	6,120	6,242	6,367	6,495
Uncollectable accounts	55,864	84,957	243,345	60,000	60,000	61,200	62,424	63,672	64,946
Business meetings	2,364	555	1,240	1,200	1,200	1,224	1,248	1,273	1,299
Miscellaneous	827	12,408	9,747	3,100	3,100	3,162	3,225	3,290	3,356
Discount earned and lost	-	-	-	-	-	-	-	-	-
Utilities	49,921	47,669	58,012	65,618	72,180	73,624	75,096	76,598	78,130
Rent	-	-	8,114	-	-	-	-	-	-
Cost allocation charge	789,494	803,711	829,498	896,279	852,924	724,985	739,485	754,275	769,360
ITD service charge	521,078	540,933	581,687	708,445	722,614	614,222	626,506	639,036	651,817
Building maint service charge	78,699	74,029	82,049	78,175	80,316	81,922	83,561	85,232	86,937
GWP municipal billing	481,553	481,553	481,553	481,553	481,553	491,184	501,008	511,028	521,248
Contractual cost reduction	-	(5,926)	-	-	-	-	-	-	-
Electric Vehicles and Infrastructure	-	-	-	-	-	-	-	-	-
Street sweeping offset	-	-	-	(221,317)	(474,490)	(230,258)	(234,863)	(330,612)	(244,351)
Transfer to general fund	1,150,000	1,150,000	479,167	-	-	-	-	-	-
Projected Underexpenditures	-	-	-	(2,000,000)	(845,727)	(881,216)	(915,704)	(930,915)	(962,036)
Subtotal - Overhead	\$5,546,971	\$6,819,560	\$5,268,277	\$3,364,342	\$4,442,468	\$4,560,887	\$4,639,510	\$4,673,341	\$5,004,370
Total Operating Expenses	\$24,330,336	\$25,680,709	\$20,097,543	\$23,402,866	\$24,050,098	\$25,333,364	\$26,133,455	\$26,569,810	\$27,311,032

Appendix A – Revenue and Expenditure Detail

Description	Actual	Actual	Pre-audited	Projected	Projected	Projected	Projected	Projected	Projected
	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Capital Expenditures									
Asset Capitalization Adjustment	(111,169)								
Subtotal - FY 2022									
Street Sweeper			445,000						
Street Sweeper			388,571						
Automated Sideloaders			325,000						
Automated Sideloaders			365,000						
Automated Sideloaders			365,000						
Automated Sideloaders			365,000						
Automated Sideloaders			365,000						
Automated Sideloaders			365,000						
Automated Sideloaders			365,000						
Automated Sideloaders			365,000						
Automated Sideloaders			365,000						
Automated Sideloaders			365,000						
Automated Sideloaders			365,000						
Automated Sideloaders			365,000						
2011 Ford F350 Stake Bed with Liftgate			50,000						
Asset Capitalization			(1,503,848)						
Underground Tank Removal			500,000						
Temporary CNG Station			150,000						
Subtotal - FY 2022									
			4,734,723						
Pickup Truck				40,000					
Mini rear loader				225,000					
Mini rear loader				225,000					
Mini Automated Sideloaders				380,000					
Containers				350,000					
Subtotal - FY 2023									
				1,220,000					
Rearloader					235,000				
Rearloader					235,000				
Automated Sideloaders					450,000				
Automated Sideloaders					450,000				
Automated Sideloaders					420,000				
Containers					2,525,000				
Subtotal - FY 2024									
					4,315,000				

Appendix A – Revenue and Expenditure Detail

Description	Actual	Actual	Pre-audited	Projected	Projected	Projected	Projected	Projected	Projected
	FY 19-20	FY 20-21	Actual FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Automated Sideloader						320,000			
Automated Sideloader						320,000			
Containers						2,525,000			
Subtotal - FY 2025						3,165,000			
Automated Sideloader							434,157		
Refuse-Bin Truck							32,200		
Containers							0		
Subtotal - FY 2026							466,357		
Street Sweeper								455,258	
Street Sweeper								455,258	
Rearloader								390,460	
Rearloader								398,230	
Automated Sideloader								447,182	
Automated Sideloader								447,182	
Automated Sideloader								447,182	
Automated Sideloader								448,289	
Automated Sideloader								449,396	
Automated Sideloader								448,289	
Containers								0	
Subtotal - FY 2027								4,386,726	
Automated Sideloader									468,578
Automated Sideloader									468,578
Rolloff Truck									404,349
Automated Sideloader									464,018
Automated Sideloader									464,018
Automated Sideloader									464,018
Automated Sideloader									464,018
Flatbed Trucks, Single-Axle									87,992
Compact Pickup									34,672
Containers									0
Subtotal - FY 2028									3,320,241
Total Capital Expenditures	(111,169)	0	4,734,723	1,220,000	4,315,000	3,165,000	466,357	4,386,726	3,320,241
Total Expenditures	24,219,167	25,680,709	24,832,266	24,622,866	28,365,098	28,498,364	26,599,812	30,956,536	30,631,273
Total Surplus/(Shortfall)	985,296	(1,924,683)	(7,591,485)	(12,914,485)	(10,824,360)	(5,014,448)	1,393,960	(799,858)	2,657,687